DOCUMENT RESUME

ED 209 837 EC 140 351

AUTHOR Severns, George W., Jr.; Sains, Leonard I.
TITLE A Comprehensive Monitoring System.
PUB DATE Apr 81
NOTE 8p.; Paper presented at the Annual International Convention of The Council for Exceptional Children (59th, New York, NY, April 12-17, 1981, Session F-64).

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Disabilities; Elementary Secondary Education; *Private Schools; *Program Administration; *Program Costs; *Program Evaluation; Special Education; *State Departments of Education
IDENTIFIERS *Program Monitoring

ABSTRACT

Intended for administrators, the paper reviews the current inadequacy of most state education agency monitoring of private special education programs and considers necessary elements in comprehensive monitoring. Basic challenges related to establishing a fiscal monitoring system are described, including the ability to differentiate quality from nonquality programs and the establishment of reasonableness of costs. Ways to approach fiscal monitoring are advocated, such as reviewing and approving projected costs and verifying final enrollment and actual cost figures. Program monitoring is distinguished from fiscal monitoring and its components of school administration, pupil interaction, educational management, facilities, and personnel management are briefly addressed. (CL)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED209837

A Comprehensive Monitoring System

By: George W. Severns, Jr., Ph.D.
Pennsylvania Department of Education
Harrisburg, PA
and
Leonard I. Sains, Ed.D.
Au Clair School
Bear, Delaware

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
George W. Severns
Leonard I. Sains
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

April 17, 198
Council of Administrators
of Special Education
1981 Convention
New York City

EC140351

A Comprehensive Monitoring System

The utilization of private schools by public education agencies has increased significantly over the past decade. This increase has not gone unnoticed by agencies responsible for assuring appropriate education for our country's children.

The United States Department of Education routinely conducts compliance monitoring activities known as program administrative reviews. Under Public Law 94-142 (Section 61é(a)), ESEA Title I P.L. 89-313 sub-part Q and other federal laws and regulations, the federal government requires states to monitor approved private schools. There is also a federally required annual state program plan that must describe the procedures and processes to be used in administering and monitoring approved private school programs. Most states also have their own laws and regulations that require them to at least monitor whether the approved private schools are providing the services being paid for with public money.

It is crucial to make approved private schools accountable for providing an appropriate educational program to the handicapped children placed there by the public school system. The importance of fiscal and program accountability becomes even more critical when one considers the millions of dollars in public funds made available to private schools for the handicapped by state and local educational agencies. To make private schools truly accountable, monitoring must include processes and procedures for program as well as fiscal monitoring. Due to the importance of the product with which we deal and the importance of every dollar today, any monitoring done must be systematized and comprehensive.

It has been noted in various federal reports; one being a report by the Northeastern Regional Resource Center, which was formerly responsible for numerous projects related to approved private schools for handicapped children, that many state education agencies do not have an operational system for holding private schools accountable, while numerous other states indicate the presence of an inadequate or cumbersome system for monitoring and approving private schools for the handicapped.

What has become clear is that, for the most part, SEAs have been unable to effectively and efficiently monitor those private schools which they, themselves, approve. What is being submitted for your consideration in this presentation is the thesis that SEAs have not geared-up for the task of holding private schools accountable for the public funds received. This is a reality in all but a few of the states. Inappropriate numbers of trained staff have been employed, whether due to public agencies' lack of fiscal resources or a perceived lack of high priority, to perform in-depth monitoring. While few would be aware of the effects of inadequate and inappropriate monitoring of private schools by public agencies, for a number of reasons, these effects are devastating for private schools. Intense fiscal constraints, which in some cases are unnecessary and unjust, detract, qualitatively, from the

private program. A reasonable, rational, comprehensive monitoring system could assure quality private programs while at the same time assure accountability for public funds expended in that area. The major thrust of this presentation is to explore the various asepcts of monitoring related to approved private schools and to provide you with an outline of the components of, and some of the necessary processes and procedures involved in, a comprehensive monitoring system.

Before getting into a total revision of your current monitoring system, you should ask yourself at least four basic questions:

1. Are public funds flowing to approved private schools for the handicapped being utilized appropriately, both educationally and legally?

2. Do I have a valid system for deciding which private schools I should be approving?

3. Do I have a system for monitoring the use of public funds and the delivery of programs?

4. Do I have sufficient human and fiscal resources to accomplish the monitoring?

Your agency must then address the development or updating of processes and procedures for assuring:

1. Fiscal accountability.

2. Criteria for cost allowances.

3. Facility evaluation (approval for a school to be reimbursed).

5. Interfacing of public and private educational systems.

Within the comprehensive monitoring system framework, we must explore the essential components of monitoring both fiscal resources and program operation together. Let us first make some basic assumptions relative to fiscal monitoring.

In order to create and implement a reasonable but effective fiscal monitoring system, the monitoring agency must fully accept the following assumptions as being valid:

1. Quality private schools are essential to the public educational agency's ability to provide for all of its handicapped children.

2. There must be present an equality of regulation between public and private schools accountable for elements for which public agencies are not held responsible.

3. Despite the fact that there exists a small number of private school owners/directors who operate their programs honestly,

ethically and in the interest of the children they serve, a fiscal monitoring system must be able to differentiate "good" from "bad," "quality" from "non-quality."

Attempts to establish a fiscal monitoring system must first resolve certain challenges. The following represent, merely, an incomplete list of some major challenges.

1. The ability to differentiate quality from non-quality programs. Because two or more private schools serve the same types of handicapped children, they do not necessarily require the same level of funds. Size of enrollment, number of teachers and teacher aides, support personnel and specialists must be considered as important variables in monitoring costs. Specialized equipment (e.g., loop systems, equipment for the visually impaired), salary structure, taxes (e.g., for profit organizations) also have to be considered.

   Maximum tuition allowances need also to be eliminated, for they may very well be illegal. Funds awarded and monitored for specific programs should be related to program needs and quality, and not by some arbitrary maximum amount.

2. The clarification of approvable and nonapprovable costs based on a sound rationale rather than arbitrary, unilateral decision making. Until, and unless, this is well established, reasonable fiscal monitoring cannot be undertaken.

3. Establishing reasonableness of costs. Once allowable costs are established, the question must then be dealt with which allows one to determine the "how much allowable" is allowable. To do this, a mention of arriving at the reasonableness of allowable costs must be in place. One method to determine reasonableness of costs is to utilize a "standard of service/cost of service" approach. In other words, what is usual service expectation for a type of program and the cost of that service for the particular geographical area. Beyond that, what service(s) are provided by a particular program - above and beyond the usual - which enhances that program, and is the cost reasonable for that service. It is critical when monitoring fiscal elements to allow for - and even foster - creative programming. A reasonable cost must, above all, reflect a programmatic and/or service element geared to helping handicapped children.

4. Assuring appropriate expenditure of approved funds. The monitoring of financial aspects of a private school should accomplish, basically, two purposes. Initially fiscal monitoring should verify and validate projected costs of operation which is the basis for awarding tuition figures. Secondly, once those costs have been approved and tuition figures awarded, fiscal monitoring must verify that the funds were spent for those items originally approved. What is suggested here is a fiscal monitoring system which reviews and approves projected expenditures, provides projected tuition

monies to meet those costs, verifies (at the end of a given fiscal year) the appropriate actual expenditure of those funds, and finally, adjusts the projected tuition allowance accordingly (resulting in an actual tuition allowance).

Actual costs can be determined by examining end-of-year financial statements or certified audit (a much more costly activity for the private school).

5. Student enrollment and fiscal monitoring. Perhaps the one variable which can have a substantial effect on the financial position of a private school - both positively and negatively - is that of student enrollment).

Permit me to walk through a hypothetical situation concerning overall daily enrollment. Private school "A" receives approval to enroll no more than thirty students. The aministrator submits a projected budget of $184,600 for the next school year, with an anticipated enrollment of 26 students. The budget request for $184,600 is approved by the appropriate public agency, and awards school "A" a tuition rate of $7,100 per student (7100 x 26). By November of the particular school year, the enrollment reaches 30 students. Four students entered on November 1, bringing the average daily enrollment to 29.2 students. (Each student entering on November 1 counts as .8 of a fully enrolled student.) At $7100 per student per school year, private school "A" would realize a total income from tuition of $207,320 (7100 x 29.2 students.) This school would conceivably realize a surplus of funds at the end of the school year of almost $23,000. While the above situation occurs more, perhaps, than responsible agencies realize, the inverse also occurs. Namely, a private school suffers an actual average daily enrollment of fewer students than projected. If the avove example were utilized - except school "A" realized an enrollment of 22.8 student. The school's losses would represent approximately 12.5 percent of their entire budget.

In summary, a sound and reasonable fixed monitoring system must account for funds paid as well as funds expended by those schools. That monitoring system must also protect quality programs from assuming unreasonable losses. A method of accomplishing these objectives should include:

1. Review and approving projected costs.

2. Awarding a projected tuition award based upon projected enrollment and projected costs.

3. Verifying actual costs at end of fiscal year.

4. Verifying final average daily enrollment at end of fiscal year.

5. Determining and adjusting the actual tuition figure for the past year.

A fiscal monitoring system which incorporates the above is implementable by public regulating agencies with a minimum of staff and at minimal expenses.

Let us now address the common term "program monitoring" as opposed to "fiscal monitoring."

The primary purpose of the monitoring process is to determine the extent to which the school is complying with laws, regulations, standards, guidelines, etc., and ultimately results in the school being disapproved, placed on a probationary status, or approved for receipt of public educational funds. A secondary purpose should be to assist the school, in light of current data and technology, to improve its programs. The degree of compliance should be assessed through review of documents, review of processes and procedures taking place, and interviews conducted with those inolved with the school. Basically, you need to assess:

A. Administration of the School

(1) Plan
(2) Operating rules and procedures
(3) Objectives

B. Pupil Interaction

(1) Admission and discharge criteria and process.
(2) Instructional plans and procedures
(3) Educational offerings

C. Educational Management

(1) Operational plans and procedures
(2) Interaction between school and students
(3) Service offerings

D. Facilities

(1) Appropriate fire, safety, etc. approvals
(2) Suitability for meeting objectives
(3) Appropriate equipment, supplies, etc.

E. Personnel

(1) Appropriate numbers
(2) Appropriate qualifications

There must be a thorough assessment of each of the above items by a team of individuals who have credibility with related educational decision-makers and with the school and/or peers of the school being evaluated. There then must be a written report pointing out strenghts and weaknesses, and giving commendations and recommendations, and finally

presenting an official decision of approval, disapproval, probation, etc. This cannot be the end of the monitoring process, however, especially since you are dealing with private contracting agents. You must provide the schools access to an appeal procedure if they disagree with the decision.

Along with addressing the development of processes, procedures, forms, etc., for individual school monitoring, your agency must address the development of appropriate processes, procedures, and policies for administering the total comprehensive monitoring system. You must realize that:

1. Monitors must be trained.
2. Data collection, analysis and storage must be systematized.
3. Protocols must be developed.
4. Program cost must be established.
5. A system for policy and procedure review must be established.
6. A method for evaluating your monitoring system must be approached.
7. Implementation of the system must begin.